

AGREEMENT BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND THE GOVERNMENT OF THE REPUBLIC OF BOLIVIA
REGARDING THE CONSOLIDATION OF DEBT
OWED TO, GUARANTEED BY, OR INSURED
BY THE UNITED STATES GOVERNMENT AND ITS AGENCIES

The United States of America (the "United States") and the Republic of Bolivia ("Bolivia") agree as follows:

ARTICLE I

Application of the Agreement

1. In accordance with the recommendations contained in the Agreed Minute on the Consolidation of the Debt of the Republic of Bolivia, signed at Paris on July 10, 2001, the applicable laws of the United States and Bolivia, and the September 1999 commitment of the President of the United States to provide 100 percent debt forgiveness to certain Heavily Indebted Poor Countries, the United States and Bolivia agree herein to the reduction of certain Bolivian debts which are owed to, guaranteed by or insured by the United States Government and its Agencies.
2. With respect to amounts due to the Export-Import Bank of the United States (Ex-Im Bank), the United States Department of Defense (DoD), and the United States Agency for International Development (USAID), each agency will notify Bolivia of amounts reduced hereunder. This Agreement will be further implemented by a separate agreement (the Implementing Agreement") between Bolivia and the United States Department of Agriculture with respect to PL-480 Agreements.

ARTICLE II

Definitions

1. "Contracts" means

(a) the bilateral debt rescheduling agreement between the United States and Bolivia signed on November 27, 1996;

(b) the bilateral debt rescheduling agreement between the United States and Bolivia signed on December 2, 1999; and

(c) those loans having original maturities of more than one year that were extended to the Government of Bolivia or its public sector pursuant to an agreement concluded with the United States before June 20, 1999.

Debt service due as a result of debts described above and effected through special payment mechanisms or other external accounts is covered by this Agreement.

A table listing the relevant Contracts included under this Agreement is attached hereto as Annex A.

2. "Agencies" means Ex-Im Bank, DoD, and USAID.

3. "Relevant Principal" means the total amount of principal outstanding under the Contracts as of July 1, 2001, including any Consolidated Arrears and Accrued Interest.

A table summarizing the amount of Relevant Principal owed to the United States and its Agencies is attached hereto as Annex B.

4. "Consolidated Arrears" means 100 percent of the sum of due and unpaid principal and interest, excluding accrued interest, which was due as of July 1, 2001 with respect to the Contracts.

5. "Accrued Interest" means interest accrued and unpaid under Contracts from the most recent interest maturity date up until June 30, 2001, inclusive, computed at the rate specified in the respective Contracts, excluding any penalty interest or interest on interest.

6. "Minute" means the Agreed Minute on the Consolidation of the Debt of the Republic of Bolivia, signed on July 10, 2001.

7. "Participating Creditor Countries" means creditor countries that are signatories to the Minute.

8. "Completion Point" means June 5 and 8, 2001, the dates on which the Boards of the International Development Association of the World Bank and International Monetary Fund (IMF), respectively, decided that Bolivia reached its Completion Point as defined under the Enhanced Debt Initiative for the Heavily Indebted Poor Countries.

ARTICLE III

Terms and Conditions

1. One hundred percent of the Relevant Principal as defined in Article II (3) is hereby cancelled.
2. Adjustments in the amounts of Relevant Principal may be made in writing, as necessary and by mutual consent.

ARTICLE IV

General Provisions

1. Bolivia shall seek to secure from external public or private creditors reduction and reorganization arrangements on terms comparable in net present value to those set forth in the Minute for credits of comparable maturity, while trying to avoid inequity between different categories of creditors.
2. Except as may be modified by this Agreement, all terms of the Contracts remain in full force and effect.
3. With respect to amounts owing to Ex-Im Bank under this Agreement, Bolivia (referred to as the "Government" in Annex C hereto) and Ex-Im Bank agree to the additional terms and conditions set forth in Annex C.
4. With respect to amounts owing to USAID under this Agreement, Bolivia (referred to as the "Government" in Annex D hereto) and USAID agree to the additional terms and conditions set forth in Annex D.
5. With respect to amounts owing to DoD under this Agreement, Bolivia (referred to as the "Government" in Annex E hereto) and DoD agree to the additional terms and conditions set forth in Annex E.

ARTICLE V

Suspension or Termination

1. The United States may suspend or terminate this Agreement by giving sixty (60) days written notice to Bolivia. In particular, the United States may terminate all or part of this Agreement if the Participating Creditor Countries determine that Bolivia has not met its obligations under the Minute, including those of comparable treatment. If the United States terminates all or part of this Agreement, all debts cancelled under this Agreement shall be due and payable immediately according to the original Contracts upon notification to Bolivia of termination of the Agreement.
2. This Agreement may be amended or modified by mutual consent of the United States and Bolivia.

ARTICLE VI

Entry into Force

This Agreement shall enter into force following signature of the Agreement and receipt by Bolivia of written notice from the United States that all necessary domestic legal requirements for entry into force of the Agreement have been fulfilled.

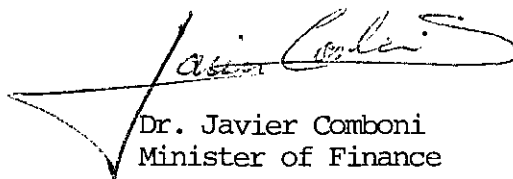
Done at La Paz, Bolivia, this 27th day of November , 2002.

FOR THE UNITED STATES OF
AMERICA:



Daniel Santos, Jr.
Charge d' Affaires
U.S. Embassy, La Paz

FOR THE REPUBLIC OF
BOLIVIA:



Dr. Javier Comboni
Minister of Finance

Annex A

Contracts Subject to Reduction

Ex-Im Bank

R-221

R-242

DOD

BL-978R

BL-996R

USAID

511-HG-007A01

511-HR-010

511-HR-011

USDA

8/31/95

12/28/95

7/3/97

3/24/98

8/22/91

Annex B

Summary of Relevant Principal

(including Consolidated Arrears and Accrued Interest)
(thousands of US dollars)

Ex-Im Bank \$10,100

DoD \$2,550

USAID \$14,733

USDA PL480 \$32,210

Total \$ 57,543

ANNEX C
ADDITIONAL TERMS AND CONDITIONS WITH RESPECT TO
AMOUNTS OWING TO EX-IM BANK

The Government of the Republic of Bolivia, (hereinafter referred to as the "Government"), agrees to the following additional terms and conditions with respect to the amounts owing to Ex-Im Bank, guaranteed by Ex-Im Bank, or insured by Ex-Im Bank, pursuant to the attached Agreement between the United States of America and the Government:

A. Exporter Retentions. The term "Exporter Retention(s)" means with respect to the Contracts stipulated in this Agreement, (i) that portion of commercial credits from commercial lenders or U.S. exporters which was not guaranteed or insured by Ex-Im Bank and is owed to such commercial lenders or U.S. exporters or (ii) loans from commercial lenders or U.S. exporters which were incurred in participation with loans from Ex-Im Bank. In the event that the commercial lender or U.S. exporter agrees to consolidate and reschedule its Exporter Retention(s) in accordance with the terms of this Agreement, such Exporter Retention(s) shall be included in the subject rescheduling.

B. Representations. The Government represents and warrants that it has taken all action necessary or advisable under its laws and regulations to authorize the execution, delivery and performance of this Agreement and that this Agreement constitutes the valid and binding obligations of the Government, enforceable against the Government in accordance with its terms and for the performance of which the full faith and credit of the Government is pledged. The Government acknowledges that the activities contemplated by this Agreement are commercial in nature rather than governmental or public and agrees that, to the extent that it has or hereafter may acquire immunity from suit, judgment and/or execution, it will not assert or claim any such right of immunity with respect to any action by Ex-Im Bank to enforce its obligations under this Agreement.

C. Events of Default. In the event that the Government fails to pay when due (a) any amount owing to Ex-Im Bank under this Agreement or (b) any amount owing under any other agreement or instrument in which any indebtedness (whether direct or indirect, contingent or otherwise) of the Government thereunder is owed to, guaranteed or insured, in whole or in part, by Ex-Im Bank, then Ex-Im Bank, by written notice to the Government, may make immediately due and payable the entire principal amount owing to Ex-Im Bank and outstanding under this Agreement, plus accrued Interest and Additional Interest thereon to the date of payment, and all other amounts owing to Ex-Im Bank under this Agreement.

D. Miscellaneous Provisions.

1. Expenses. The Government shall pay on demand all reasonable costs and expenses incurred by or charged to Ex-Im Bank in connection with or arising out of this Agreement, including without limitation costs and legal fees incurred by or charged to Ex-Im Bank in connection with the enforcement of this Agreement.

2. Adjustments. On or about 135 days after the execution of this Agreement, Ex-Im Bank shall inform the Government of the actual amounts to be refunded hereunder. The parties hereto agree to make any necessary adjustments to the amounts being refunded.

3. Communications. All communications between the Government and Ex-Im Bank under this Agreement shall be in writing, in the English language (or accompanied by an accurate English translation). All communications to the Government shall be addressed to the Government at the address designated by the Government from time to time in writing to Ex-Im Bank; all communications to Ex-Im Bank shall be addressed to Ex-Im Bank at the following address:

Export-Import Bank of the United States
811 Vermont Avenue, N.W.
Washington, D.C. 20571
Attention: Treasurer-Controller
Ref: R-267 - Bolivia
Telex: 89461 EXIMBANK WSH
197681 EXIM UT
Facsimile: (202) 565-3890

4. Governing Law. The Ex-Im Bank portion of this Agreement shall be governed by and construed in accordance with the laws of the District of Columbia, United States of America.

Annex D
ADDITIONAL TERMS AND CONDITIONS WITH RESPECT TO
AMOUNTS OWING TO USAID

A. GENERAL PROVISIONS

1. Communications. All communications between the Government and USAID shall be in writing in the English language (or accompanied by an accurate translation). All communications to the Government shall be addressed as the Government may designate from time to time in writing to USAID. All communications to USAID shall be addressed as follows:

Chief
Office of Financial Management
Loan Management Division (M/FM/LM)
USAID
1300 Pennsylvania Avenue, N.W.
Room 2.10.B
Washington, D.C. 20523
Fax: (202) 216-3540

USAID may change this designated address upon written notice to the Government.

Annex E

ADDITIONAL TERMS AND CONDITIONS WITH RESPECT TO
AMOUNTS OWING TO DoD

No failure or delay on the part of the Department of Defense to exercise any right, power or privilege under this Agreement shall operate as a waiver thereof.

All statements, reports, certificates, opinions and other documents or information furnished to the Department of Defense under this Agreement shall be supplied by the Government without cost to the Department of Defense.

The Government shall reimburse the Department of Defense, on demand, for all reasonable and documented out-of-pocket expenses (including legal fees) incurred by the Department of Defense in connection with the enforcement of this Agreement.

To the extent that the Government has or hereafter may acquire immunity from suit, judgment, and/or execution, the Government agrees that it shall not assert or claim any such right of immunity with respect to any action to enforce its obligations under this Agreement, except as provided for in the Government's judicial codes with respect to execution through the courts of the Government.

Upon signature of this Agreement, the Department of Defense shall consider arrears as having been rescheduled for the purposes of resuming the provision of assistance to the Government. The Department of Defense will notify the Government of the amounts rescheduled, provide a repayment schedule of those amounts, and provide the actual interest rate assigned to this Agreement.

The Department of Defense portion of this Agreement shall be governed by, and construed in accordance with, the laws of the District of Columbia, United States of America.

If the terms of this Agreement provide for the consolidation period to be extended beyond the initial consolidation period, and provided conditions contained therein are met, the Department of Defense will manage each extended consolidation period as a separate loan and identify it with a separate loan number and interest.

All communications between the Government and the Department of Defense shall be in writing, in the English language at the following address:

Defense Security Cooperation Agency
Crystal Gateway North
Suite 303
1111 Jefferson Davis Highway
Arlington, VA 22202-4306

Facsimile: (703)

604-6538